

**A Complete Copy Of Delphi's Court Papers,
Including The Disclosure Statement, Plan
And Memoranda Of Understanding, Can Be
Obtained At www.Delphidocket.com Or By
Calling 1-888-249-2691**

This is a notice which may affect you as a present or former employee of Delphi:

For A Summary Of The Relief Sought Regarding Members Of:

USW At Home Avenue: See Pages 3 - 4

USW At Vandalia: See Pages 5 - 6

**The information in this notice is only a summary and you can obtain complete papers as
set forth above this box and on page 7.**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
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INFORMATIONAL NOTICE WITH RESPECT TO (I) RELEASES UNDER PROPOSED PLAN
OF REORGANIZATION AND (II) MEMORANDA OF UNDERSTANDING AMONG USW,
DELPHI, AND GENERAL MOTORS CORPORATION INCLUDING MODIFICATION OF USW
COLLECTIVE BARGAINING AGREEMENTS AND RETIREE
WELFARE BENEFITS FOR CERTAIN USW REPRESENTED RETIREES

**Information For USW-Represented
Employees And Retirees Of Delphi Corporation**

On August 17, 2007, Delphi Corporation and certain of its affiliated debtors and debtors-in-possession ("Delphi"), filed an Expedited Motion For Order Under 11 U.S.C. §§ 363, 1113, and 1114 and Fed. R. Bankr. P. 6004 and 9019 Approving Memoranda of Understanding Among USW, Delphi, and General Motors Corporation, Including Modification of USW Collective Bargaining Agreements and Retiree Welfare Benefits For Certain USW-Represented Retirees, which sought approval from the United States Bankruptcy Court for the Southern District of New York (the "Court") of two memoranda of understanding dated August 16, 2007 among Delphi, GM,¹ and the

¹ Capitalized terms used and not defined in this informational notice have the meanings set forth in the USW Home Avenue Settlement Agreement or the USW Vandalia Settlement Agreement, as the case may be.

USW regarding Delphi's restructuring. The first memorandum relates to Delphi's operations at Home Avenue (the "USW Home Avenue Settlement Agreement" or the "USW Home Avenue Memorandum of Understanding") and the second memorandum relates to Delphi's operations at Vandalia (the "USW Vandalia Settlement Agreement" or the "USW Vandalia Memorandum of Understanding").

On August 29, 2007, the Court approved the USW Home Avenue Settlement Agreement and the USW Vandalia Settlement Agreement, which were ratified by the USW as of August 30, 2007 for the USW Home Avenue Settlement Agreement and as of August 31, 2007 for the USW Vandalia Settlement Agreement.

On September 6, 2007, Delphi filed with the Court (a) the Joint Plan Of Reorganization Of Delphi Corporation And Certain Affiliates, Debtors And Debtors-in-Possession (as subsequently amended, supplemented, or otherwise modified, the "Plan"), and (b) the Disclosure Statement with respect to the Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-in-Possession (as subsequently amended, supplemented, or otherwise modified, the "Disclosure Statement").

The USW Home Avenue Settlement Agreement and the USW Vandalia Settlement Agreement provide that upon confirmation of the Plan by the Court, and Article 11.6 of the Plan proposes, that Delphi and GM will receive releases from the USW and all employees and former employees of Delphi represented or formerly represented by the USW as described more fully below.

Article 11.13 of the Plan proposes that the releases under Article 11.6 of the Plan will act as an injunction against any person to collect or recover any claim or interest released under the Plan.

A summary of certain terms of the USW Home Avenue Settlement Agreement and the USW Vandalia Settlement Agreement follows:

USW Home Avenue Settlement Agreement

The USW Home Avenue Settlement Agreement provides, among other terms, that:

- The terms of the USW CBAs are extended until September 14, 2011;
- Delphi and the USW agree that the businesses at the Home Avenue Operations will be sold or closed;
- A workforce transition program, excluding buy downs, is implemented for eligible USW-represented employees that provides eligible employees with transformation plan options, including attrition options similar to the previously-approved UAW and IUE-CWA attrition programs (see USW Home Avenue Settlement Agreement Attachment C, USW-Delphi-GM Special Attrition Program-Transformation);
- Certain terms of the USW CBAs are modified with respect to provisions covering Plant Closing and Sale Moratorium, Sourcing, Job Security (Job Opportunity Bank (JOBS) Program), AOL, COLA, Independence Week Pay, Vacation Entitlement, Joint Activities funding, tuition assistance, Guaranteed Income Stream, benefits, temporary employees, and holidays; and
- All employee, retiree, and union asserted and unasserted claims are settled (except for rights, if any, to vested pension benefits, workers' compensation benefits, unemployment compensation benefits, future claims arising out of the modified USW CBAs, and pending ordinary course grievances of employees remaining in the workforce).

Effective upon the execution by Delphi and GM of a comprehensive settlement agreement resolving certain financial, commercial, and other matters between Delphi and GM and substantial consummation of a plan of reorganization proposed by Delphi in its chapter 11 cases and confirmed by this Court which incorporates, approves, and is consistent with all of the terms of the USW Home Avenue Settlement Agreement and Delphi-GM settlement:

- Delphi's obligation to provide certain retiree welfare benefits is eliminated and GM is obligated to provide certain retiree welfare benefits for certain USW-represented employees covered as provided in the Term Sheet – Delphi Pension Freeze and Cessation of OPEB, and GM Consensual Triggering of Benefit Guarantee;
- A transfer of certain pension assets and liabilities from Delphi's pension plans to GM's pension plans is effectuated pursuant to Internal Revenue Code Section 414(l);
- Delphi's existing pension plan is frozen in certain respects effective upon emergence from chapter 11 and GM is obligated to pay certain benefits for certain USW-represented employees covered as provided

in Term Sheet – Delphi Pension Freeze and Cessation of OPEB, and GM Consensual Triggering of Benefit Guarantee;

- The USW will receive an allowed general unsecured prepetition claim in the amount of \$3 million against Delphi in complete settlement of all asserted and unasserted USW claims, including without limitation asserted and unasserted claims of current and former Vandalia Operations bargaining unit members. The proceeds realized by the USW and/or the voluntary employees' beneficiary association ("VEBA") trust, to be established by an entity other than GM, Delphi, or their respective benefit plans, will be contributed directly to the VEBA trust to provide certain retiree welfare benefits to certain eligible employees and retirees, including certain current or future participants in the Delphi Hourly Rate Employee Pension Plan or the GM Hourly Rate Employee Pension Plan, and their dependents;
- The amount of \$9 million will be paid by GM to the VEBA in resolution of certain claims asserted by the USW, including in connection with the modification of retiree benefit programs, and without any acknowledgment by either GM or Delphi of those claims;
- The USW Home Avenue Memorandum of Understanding (including the USW CBAs) is assumed pursuant to 11 U.S.C. § 365;
- The USW released parties are exculpated and released in connection with the USW Home Avenue Memorandum of Understanding and Delphi's chapter 11 cases; and
- Delphi and GM receive releases from the USW, all employees and former employees of Delphi represented or formerly represented by the USW, and all persons or entities with claims derived from or related to any relationship with such employees of Delphi arising directly or indirectly from or in any way related to any obligations under the collective bargaining agreements between Delphi and the USW and between GM and the USW (except for claims for benefits provided for or explicitly not waived under the USW Home Avenue Memorandum of Understanding, including, but not limited to, workers' compensation benefits against Delphi, its subsidiaries, or affiliates that are otherwise assertable under applicable law).

USW Vandalia Settlement Agreement

The USW Vandalia Settlement Agreement provides, among other terms, that:

- The terms of the USW CBAs are extended until September 14, 2011;
- A site plan is implemented with respect to the Vandalia Thermal Operation for which it is necessary to achieve an all-in blended labor wage and benefit rate of \$19.57 per hour as soon as possible and maintain that rate for the life of the Vandalia local agreement; otherwise failure to accomplish and maintain this all-in blended wage and benefit rate will result in the Vandalia Thermal Operations being closed during the term of the Vandalia local agreements;
- A workforce transition program is implemented for eligible USW-represented employees that provides eligible employees with transformation plan buy out options, similar to the previously-approved UAW and IUE-CWA attrition programs (see USW Vandalia Settlement Agreement, Section C, Special Attrition Program);
- Certain terms of the USW CBAs are modified with respect to provisions covering Guaranteed Income Stream, benefits, vacation accrual, holidays, Income Security Plan, Joint Activities funding, Independence Week Pay, COLA, Shift Premium, AOL, and overtime; and
- All employee, retiree, and union asserted and unasserted claims are settled (except for rights, if any, to vested pension benefits, workers' compensation benefits, unemployment compensation benefits, future claims arising out of the modified USW CBAs, and pending ordinary course grievances of employees remaining in the workforce).

Effective upon the execution by Delphi and GM of a comprehensive settlement agreement resolving certain financial, commercial, and other matters between Delphi and GM and substantial consummation of a plan of reorganization proposed by Delphi in its chapter 11 cases and confirmed by this Court which incorporates, approves, and is consistent with all of the terms of the USW Vandalia Settlement Agreement and Delphi-GM settlement:

- Delphi's obligation to provide certain retiree welfare benefits is eliminated and GM is obligated to provide certain retiree welfare benefits for certain USW-represented employees covered as provided in the Term Sheet – Delphi Pension Freeze and Cessation of OPEB, and GM Consensual Triggering of Benefit Guarantee;

- A transfer of certain pension assets and liabilities from Delphi's pension plans to GM's pension plans is effectuated pursuant to Internal Revenue Code Section 414(l);
- Delphi's existing pension plan is frozen in certain respects effective upon emergence from chapter 11 and GM is obligated to pay certain benefits for certain USW-represented employees covered as provided in Term Sheet – Delphi Pension Freeze and Cessation of OPEB, and GM Consensual Triggering of Benefit Guarantee;
- The USW asserted and unasserted claims are resolved pursuant to Section F.2 and F.3 of the USW Home Avenue Settlement Agreement;
- The USW Vandalia Memorandum of Understanding (including the USW CBAs) is assumed pursuant to 11 U.S.C. § 365;
- The USW released parties are exculpated and released in connection with the USW Vandalia Memorandum of Understanding and Delphi's chapter 11 cases; and
- Delphi and GM receive releases from the USW, all employees and former employees of Delphi represented or formerly represented by the USW, and all persons or entities with claims derived from or related to any relationship with such employees of Delphi arising directly or indirectly from or in any way related to any obligations under the collective bargaining agreements between Delphi and the USW and between GM and the USW (except for claims for benefits provided for or explicitly not waived under the USW Vandalia Memorandum of Understanding).

This information is only a summary of some of the terms of the Disclosure Statement, Plan, USW Home Avenue Settlement Agreement, and USW Vandalia Settlement Agreement and is qualified entirely by and is subject to the actual terms and conditions of those documents. Complete copies of Delphi's Court papers, including the Disclosure Statement, Plan, USW Home Avenue Settlement Agreement, and USW Vandalia Settlement Agreement, can be obtained at www.delphidocket.com or by calling 1-888-249-2691.

Dated: New York, New York
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